GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1337
ANSWERED ON:02.05.2016
Startup India
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has launched Start-up India action plan recently and if so, the salient features of the scheme along with the target fixed and the budget sanctioned thereunder;

(b) whether any emphasis has been laid on the rural/backward regions of the country in the scheme and if so, the details thereof along with the activities identified and businesses covered thereunder;

(c) whether the Government proposes to link up the programme with IITs and IIMs and if so, the details thereof;

(d) whether the Government proposes to set up lenient regulatory framework to encourage foreign investments under the said programme and if so, the details thereof along with the reaction of the foreign investors thereto; and

(e) whether the Government has received requests from the Start-ups to address the delay in incorporation, employee stock options, lack of initial funding, cumbersome Foreign Exchange Management Act documentation and access to External Commercial Borrowings and if so, the details thereof along with the action taken thereon?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a) to (e): A statement is laid on the Table of the House.
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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA UNSTARRED QUESTION NO. 1337 FOR ANSWER ON 02.05.2016 REGARDING STARTUP INDIA.

(a): An Action Plan for Startup India to build a strong eco-system to nurture innovation and Startups in the country was launched on 16th January 2016. Salient features of the scheme are as follow:

i. Simplification and Handholding
â€¢ Simple Compliance Regime for startups based on Self-certification
â€¢ Launch of Mobile app and Portal for compliance and information exchange
â€¢ Startup India Hub to handhold startups during various phases of their development
â€¢ Legal support and fast-tracking patent examination at reduced costs
â€¢ Relaxed norms of public procurement for startups
â€¢ Faster exit for startups
ii. Funding support and Incentives
â€¢ Providing funding support through a Fund of Funds with a corpus of Rupees 10,000 crore
â€¢ Credit guarantee fund for startups
â€¢ Tax exemption on capital gains invested in Fund of Funds
â€¢ Tax exemption to startups for 3 years
iii. Industry-Academia Partnership and Incubation
â€¢ Organizing Startup Fests to showcase innovations and providing collaboration platforms
â€¢ Launch of Atal Innovation Mission (AIM) with Self −Employment and Talent Utilization (SETU) Program of NITI Aayog
â€¢ Harnessing private sector expertise for setting up incubators
â€¢ Setting up of 7 new research parks modeled on the Research Park at IIT Madras
â€¢ Launching of innovation focused programs for students.
â€¢ Annual Incubator Grand Challenge to promote good practices among incubators.
iv. Credit Guarantee Fund
The initiative provides for creating a credit guarantee fund for startups through National Guarantee Trust Company (NCGTC)/SIDBI with a Corpus of Rs.500 crore per year for the next four years.

(b): With this Action Plan the Government hopes to accelerate spreading of the startup movement:
â€¢ From digital/technology sector to a wide array of sectors including agriculture, manufacturing, social sector, healthcare, education, etc; and
â€¢ From existing tier 1 cities to tier 2 and tier 3 cities including semi-urban and rural areas.

(c): The Action Plan envisages setting up of 7 New Research Parks modeled on the Research Park at IIT Madras at IITs in Guwahati, Hyderabad, Kanpur, Kharagpur, Bangalore, Gandhinagar and Delhi and setting-up/scaling-up of 18 Technology Business Incubators (TBI) at NITs/IITs/IIMs etc. as per the funding model of DST.

(d) & (e): No, Madam.

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